

have to treat patients who have gone without their medicine.

One doctor told me, "Doctors don't have the information they need on this yet. If patients pick the wrong plan and their medicine is not covered, it can have serious medical harm."

Hospitals are also going to be affected. They are going to have to navigate all of these new plans. They are going to have to deal with patients who haven't been able to get their prescriptions. In fact, for many poor families, the only place to get these medicines will be the emergency room, and that is going to increase the cost of health care for every single one of us.

So as you can see, this new drug law is going to impose an expensive and very confusing administrative burden on our doctors, on our pharmacists, on our hospitals, and our nursing homes. In this country I think we can do a lot better than that.

The amendment I will be offering today says let's fix this problem before people realize they can't get the prescriptions they need. My amendment simply provides emergency funding to prevent this disaster.

First, it ensures that our most vulnerable don't lose their current drug coverage. It will provide \$2 billion in emergency funding to make sure our low-income seniors do not lose their benefits or suffer a gap in coverage. That money will allow our States to help the low-income residents they have, people who currently get help from State drug assistance programs, and people being helped by AIDS drug assistance programs.

My amendment will protect our most vulnerable, including any beneficiary with income below 150 percent of the Federal poverty level and any beneficiary currently eligible for Medicaid through "spend down" requirements.

It is going to give our States the flexibility to protect the people who live in those States. States could provide coverage through Medicaid or as a separate drug assistance program. And importantly, my amendment provides accountability. States will be required to notify CMS of their plan for ensuring no lapse in benefits for low-income beneficiaries.

Secondly, my amendment ensures that everyone knows about the changes that are coming. It requires States to notify those currently eligible for Medicaid and Medicare assistance. I can't tell you how many people I talked to when I was in my State who said: I have not been notified that I need to make a change. No one has told me. And yet we are 2 months away from them being assigned a plan.

States would also notify pharmacists. They would notify community health centers, rural health clinics, hospitals, critical access hospitals, doctors, and other Medicaid-eligible providers that assistance is available.

Providers will be allowed to seek reimbursement for any uncompensated costs associated with providing medically necessary drugs to these people.

In summary, my amendment simply protects our most vulnerable and makes sure that everyone involved knows what is happening.

This new Medicare prescription drug plan that has been passed has a lot of problems, but the most urgent one is what is going to happen to our most vulnerable patients and the difficulty it will cause our health care providers such as hospitals, nursing homes, doctors, and pharmacists. Time is running out. As of January 1, millions of vulnerable Americans are going to be forced into a new system they haven't been told about, they don't understand, and it will not meet their needs. We can avoid this train wreck. Senators who are concerned about the health and well-being of their own constituents but who are concerned about the costs have other options. We can support efforts on the reconciliation to provide additional time to transition into this plan and we can make changes to the Medicare Modernization Act to let the States provide coverage they have available through Medicaid during this transition.

No matter what, this is a problem. Either we spend the money now to prevent this crisis, I warn my colleagues, or we are going to have to push back the deadline so we can make this transition smoothly. People's lives are hanging in the balance.

I urge my colleagues to stand up today for those who don't have a voice, and for the doctors, hospitals, pharmacists, and nursing homes, and give them the relief and protection my amendment provides.

I will be offering this amendment in the Chamber today and I urge my colleagues' support.

I thank the Chair. I yield the floor.

The PRESIDENT pro tempore. The Senator from Idaho is recognized.

BUDGET RECONCILIATION

Mr. CRAIG. Mr. President, I come this morning to speak about a need for fiscal responsibility. Over 200 years ago, George Washington warned that "Government is not reason. It is not eloquence. It is force. Like fire, it can be a dangerous servant or a fearful master." Even when government functions properly as a servant, Washington observed, it is dangerous.

Mr. President, I rise today to talk about—and to urge a need for something to happen in this Senate and in this Congress—fiscal responsibility. While Congress has been talking about spending measure after spending measure over the past several weeks, Americans have been talking about Congress' loose spending of their tax dollars. What many lawmakers have referred to as the fiscal policy of the Government has come to mean nothing more than the Government's dangerous tendency toward fiscal recklessness.

Fiscal responsibility is premised on the simple concept that less is more. Less government spending means more

freedom for individual Americans and increased levels of economic activity and rates of economic growth for the country. Several studies confirm this.

A Public Finance Review study indicated that: "Higher total government expenditure, no matter how financed, is associated with a lower growth rate of real per capita gross state product."

A study by the Journal of Monetary Economics found that: "There is substantial crowding out of private spending by government spending. Permanent changes in government spending lead to a negative wealth effect."

And an International Monetary Fund study showed that: "Average growth for the preceding 5-year period was higher in countries with small governments both periods."

The cumulative evidence in these studies suggests one important thing—government spending hampers the economic growth of our country. Even more than this, the growth of government spending is economically destructive.

Every dollar the government spends is one taken from an American, and is one less dollar in the productive, private sector economy.

Every dollar the government spends to fund agencies imposes large costs on the economy's productive sector, no matter how small the agency.

Every dollar the government spends on programs such as welfare and unemployment insurance encourages bad behavior by providing incentives for Americans to remain unemployed and choose leisure over work. Every dollar the government spends this way goes to making Americans passive supplicants rather than active citizens, particularly at a time when the number of those dependent on the government is growing and the number supporting it is shrinking.

We have been seeing those numbers talked about over the last good number of years—who is taxed and who is not, who is paying in to the Government versus who is not. We are now edging toward 50 percent of the American people not paying taxes, and yet we still hear this great debate in the Senate about, well, the tax cuts are only for the wealthy. The tax cuts are for people who pay taxes versus those who do not pay taxes. There is a very important reality check that has to occur out there.

When I am home visiting with folks at our town meetings and I say a family of four making \$27,000 to \$30,000 a year does not pay Federal taxes anymore, that is a fact. Yet somehow we get this rich versus poor debate in this Chamber. It is really those who pay taxes versus those who do not pay taxes and become the recipients of the largesse of Government.

Every dollar the Government spends to subsidize both health care and education distorts competitive processes in the marketplace and makes States increasingly more dependent, and their budgets become distorted because they are the ones that have had that historic Government responsibility. Every

dollar the Government spends to deliver services is one that should be in the private sector allowing the marketplace to choose its efficiency and its effectiveness.

There are some interesting figures. In 2005, Washington spent \$2.470 trillion, raised \$2.154 trillion, and ran a \$317 billion budget deficit. This deficit is 2.5 percent of gross domestic product. Some will say that is the lowest ever; it doesn't mean anything. \$317 billion is a lot of money.

Spending increased by 8 percent in 2005 and is up 33 percent overall since 2001.

In 2005, inflation-adjusted federal spending neared \$22,000 per household, the highest level since World War II.

Federal spending has increased by 33 percent since 2001, from \$1.863 trillion to \$2.470 trillion. Defense and 9/11-related costs have only accounted for a smaller-than-expected portion of this:

From 2001 to 2003, spending expanded by \$296 billion, 45 percent of which went to defense and 9/11-related costs, and 55 percent of which went to new Federal spending unrelated to defense and 9/11. This is an 11 percent jump in Federal spending, the fastest growth in a decade.

From 2001 to 2005, discretionary spending surged 48 percent, from \$649 billion to \$969 billion.

Current spending on entitlement consumes nearly 60 percent of all program spending, a record 10.8 percent of gross domestic product, and is projected to nearly double over the next decade.

Long-term trends project the cost of Social Security, Medicare, and Medicaid to jump from 8.4 percent of GDP in 2005 to 18.9 percent of GDP by 2050. Federal program spending is projected to reach 27.6 percent of GDP by 2050.

By 2050, our children and our children's children will be footing the bill for our current fiscal irresponsibility.

Nearly 200 hundred years ago, Thomas Jefferson said that "although a republican government is slow to move, yet once in motion, its momentum becomes irresistible." There was a time not too long ago when Republicans stood up, made the case for smaller government, and made it happen. From 1998 to 2001, we did this by enjoying record budget surpluses.

The time for action is upon us once again.

The Federal Government's spending momentum, however, makes tax cuts, reductions in pork, and slashes in subsidies only first steps toward a real solution. The only long-term, fundamental, permanent reform that would effectively dispel the danger of current fiscal recklessness and restore fiscal responsibility is a balanced budget amendment to the Constitution like the one I reintroduced earlier this year.

Jefferson once said, "with respect to future debt; would it not be wise and just for that nation to declare in the constitution they are forming that neither the legislature, nor the nation

itself can validly contract more debt than they may pay?" I think he's right and urge my colleagues to join me in supporting a balanced budget amendment to our Constitution to restore the past principles of fiscal responsibility envisioned by the Founding Fathers and to safeguard the future by providing a bill of economic rights for our children.

It is important we understand the impact that Federal spending has, and it is clearly time some of us come to the floor and challenge all of us to recognize what we are doing, where we are going, and the amount of money being spent. Now we recognize more than ever before, with the natural disasters hitting our country that are unprecedented in their impact on human lives, that we have a new responsibility to help those citizens who have lost everything gain a little back. Somehow we think we can go on doing that at our current level of spending, but it is time we get a little realistic about some belt tightening around here, even if it is at last year's rate of spending versus an increased level of spending for the next budget.

I think Americans want us to wake up, realize what we are doing, and the impact this kind of spending has both in the short term on our economy and in the long term on our economy both for us, our children, and our grandchildren.

I thank the Senator from Colorado for yielding.

The PRESIDING OFFICER (Mr. SUNUNU). The Senator from Colorado is recognized.

Mr. ALLARD. Mr. President, we are moving into an important part of our budget plan for the year. Ideally, for the Congress to operate, we need to reach an agreement between the House and the Senate. We did that this year. In the past years we have not been able to do it. It is called the budget. As a member of the Budget Committee, I was delighted to see that happen. We laid out spending parameters for all of the various agencies, and then we also laid out a plan as to how we were going to control spending. We are going to do more things to reduce the deficit.

The Budget Committee is going to be meeting this afternoon to put together the final steps of what we call reconciliation. We look at what we can do to reduce spending. It is called the Deficit Reduction Omnibus Reconciliation Act. The most important two words in that particular piece of legislation are "deficit reduction."

In the budget, we had laid out a plan to reduce the deficit by \$34.7 billion. That is net now, and so we need to keep that process moving. This is going to move us into an important aspect of our debate next week where we are going to begin debating on the floor of the Senate the Deficit Reduction Act. It is important we work hard to reduce the deficit. Why is it important? Because we do not want to be passing on today's obligations to future genera-

tions and robbing their futures because of the spending.

If we look at what has been happening with deficit spending in recent years, it has been growing, and I think it concerns a lot of Members of the Senate. It is easy to express concerns, but it is difficult sometimes to get the votes we need in order to hold down deficit spending. So the Members of the Senate are going to have an opportunity to see how committed they are to reducing the deficit. This only applies to spending as was outlined in the budget resolution that we passed earlier this year.

There is another aspect to spending, emergency spending. I happen to believe we need to work harder to find offsets on emergency spending. We have ignored that aspect. Everybody wants to push for emergency spending because it gets them around the budget rules, and they do not have to worry about the spending in their programs that perhaps they could not get adopted as part of the appropriations or the budget or both.

We are going to be moving into a critical time next week. I think it is important that Members of the Senate remember we have a commitment to future generations. We may have to cast some tough votes next week to keep our plan going on reducing the deficit by \$34.7 billion. I happen to think it may come out a little better than that. I guess I am an eternal optimist. But it is very important. It is a start. It is not as much as we should be doing, but it is a start. It addresses some mandatory spending programs, which seem to be the toughest for Members around here to address, and it addresses some discretionary spending.

If we look out into the future, the greatest obligations that are affecting our budget are Social Security, Medicare, and Medicaid. It is difficult to make decisions to reduce those programs. It is easier to go to discretionary spending, but that is not where we are seeing the real growth in spending. We are going to have to make more difficult decisions beyond next week.

Next week is going to be a test on just how determined we are and how committed we are to reducing deficit spending.

What the President has done in stimulating our economy with some tax reductions has proved fruitful. This year, we are seeing the results of those tax cuts with close to \$100 million in revenue that was unanticipated at the first of the year, which obviously could have gone to deficit spending, but the emergency spending and what has happened with Hurricane Katrina and all the emergencies that have occurred in September has created a problem in being able to reduce the deficit as much as some of us had hoped.

Hopefully, we can hold this small amount of deficit spending that we are going to be bringing to the floor next week. It is important that we do. I urge

my colleagues in the Senate to join me and the other members of the Budget Committee when we report this bill out to hold it so at least we can reduce the deficit by \$34.7 billion. It is important to the future of this country that we at least take this first step. It is something we need to work hard on if we expect a prosperous future for our children and grandchildren.

My children are now grown and have good salaries. My grandchildren are now going to school. I want to see them have the same opportunities to grow and save their money and not have to face high tax rates because we exceeded spending in our generation. It is a challenge. It is a challenge, though, that we must meet. It is a challenge that we cannot put off, and the sooner we address this challenge, the sooner we are going to reduce deficit spending.

Mr. President, I think my time is about ready to expire.

The PRESIDING OFFICER. The majority has 1½ minutes remaining in morning business.

Mr. ALLARD. I will use a little more of my time. This is really important. It is an important time. I commend the chairman of the Budget Committee for working hard to try and hold down our deficits. I know he was very frustrated when the budget resolution was before the Senate earlier this year. I know he had some real hope of holding down spending even more than what finally ended up in the budget bill. I have supported him in trying to hold down the deficit. We do that by holding down spending.

I know he seems somewhat frustrated now because he has not been able to do as much as he wanted to do to eliminate the deficit. I think it is important that we stand behind the Budget Committee members, that we stand behind the chairman of the Budget Committee in trying to reduce the deficit.

Spending should not be running on automatic pilot. To keep this economy growing and keep it strong, we are just going to have to make some tough decisions. So I urge my colleagues to join me in supporting our chairman next week in a first step towards reducing the deficit.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2006

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 3010, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 3010) making appropriations for the Departments of Labor, Health and

Human Services, and Education, and related agencies for the fiscal year ending September 30, 2006, for other purposes.

Pending:

Sununu amendment No. 2214, to provide for the funding of the Low-Vision Rehabilitation Services Demonstration Project.

Sununu amendment No. 2215, to increase funding for community health centers.

Reed modified amendment No. 2194, to provide for appropriations for the Low-Income Home Energy Assistance Program.

Gregg amendment No. 2253, to increase appropriations for the Low-Income Home Energy Assistance Program by \$1,276,000,000, with an across-the-board reduction.

Thune modified amendment No. 2193, to provide funding for telehealth programs.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, the distinguished Senator from Iowa and I have been conferring on our schedule this morning. We have a number of amendments lined up. The first amendment will be offered by Senator BYRD on title I, scheduled for 10 o'clock. We are pretty close to being on schedule. There may be some intervening business.

I want to take this opportunity to urge our colleagues to come to the floor and offer amendments. A cloture motion was filed yesterday with advance notice to all Members. It will be voted on tomorrow. Under the rule, Members have until 1 o'clock today to file amendments. At the moment, we have openings in the afternoon. So we urge our colleagues to come forward with their amendments.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I concur with my chairman in that regard. The only other observation I make, we are not encouraging a lot of amendments. We are just saying if you have amendments come over and do them this morning or this afternoon so we can finish up the bill, hopefully, by tomorrow. I know there are some important amendments—Senator BYRD certainly has one coming up on title I—that we need to address in this bill.

Again, I am hopeful, if people do have amendments, that they will come over. And, again, Members need to know amendments have to be filed by 1 p.m. today to be considered under the cloture motion.

Mr. President, I understand that the Senator from Rhode Island, Mr. REED, needs to make a modification to his amendment, and I know, also, the Senator from Washington, Mrs. MURRAY, wants to offer an amendment before we begin Senator BYRD's amendment. Senator BYRD has been kind enough to yield to them a few minutes so we can get that done before he proceeds on his amendment.

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 2194, AS MODIFIED

Mr. REED. Mr. President, I ask unanimous consent to return to amendment No. 2194, as modified.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2194, AS FURTHER MODIFIED

Mr. REED. Mr. President, I send a modification of this amendment to the desk.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

The amendment, as modified, is as follows:

On page 158, after line 21 insert:

In addition to amounts appropriated under any other provision of this Act, for making payments under title XXVI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 8621 et seq.), \$2,920,000,000, which amount is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

Mr. REED. Mr. President, I ask unanimous consent that the Senator from New Jersey, Mr. CORZINE, and the Senator from Connecticut, Mr. LIEBERMAN, be added as cosponsors to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Washington.

AMENDMENT NO. 2220

Mrs. MURRAY. Mr. President, I call up amendment No. 2220 and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendments are set aside. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mrs. MURRAY] proposes an amendment numbered 2220.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide stop gap coverage for low-income Seniors and disabled individuals who may lose benefits or suffer a gap in coverage due to the implementation of the Medicare part D prescription drug benefit)

On page 153, between lines 17 and 18, insert the following:

In addition, for making payments to States for the provision of coverage for prescription drugs under State Medicaid plans (notwithstanding section 1935(d)(1) of the Social Security Act) or under separate drug assistance programs to individuals who have attained age 65 or are disabled, and whose income does not exceed 150 percent of the national poverty level or who are eligible for medical assistance under the State Medicaid plan under a "medically needy" or other "spend down" eligibility category, including such individuals who are eligible for benefits under titles XVIII and XIX of the Social Security Act, receiving assistance under a State drug assistance program, or receiving coverage under an AIDS Drug Assistance Program, to ensure that such individuals do not lose coverage for prescription drugs or suffer a gap in such coverage due to the implementation of the Medicare prescription drug benefit under part D of title XVIII of such Act, and for making payments to providers of items and services under the State Medicaid plan, including pharmacists, community health centers, rural health clinics, hospitals, critical access hospitals, and physicians, for reimbursement of uncompensated costs associated with the provision of medically necessary drugs for such individuals, \$2,000,000,000: *Provided*, That a State